

House Financial Services Committee
Chairman Michael G. Oxley
Opening Statement
Full Committee Markup
H.R. 3004, the Financial Anti-Terrorism Act of 2001

October 11, 2001

Today marks the one-month anniversary of the September 11, 2001, terrorist attacks. On that day, more than 5,000 Americans lost their lives in the infernos that were once the World Trade Center, a wing of the Pentagon, and four civilian aircraft.

In the days since, we have learned the chilling details of how the terrorists exploited the vulnerabilities of our open society, murdering thousands and striking at the heart of American values and power. We are discovering how easily the terrorists used American dollars and the world-class services of the American financial system to underwrite their deadly operations. They used credit cards, ATMs, checking accounts, international wire transfers, and large amounts of cash to transact business, all without raising alarm in the financial community.

After September 11, all that must change. The time for business-as-usual is past. Today, to meet the challenge before us, the Committee is marking up H.R. 3004, the Financial Anti-Terrorism Act of 2001. This measure will strengthen the ability of law enforcement to disrupt the financing of terrorism, enhance the partnership between government and industry to detect terrorist-related transactions, and prevent terrorists from accessing the U.S. financial system through foreign countries and institutions.

I am proud to say that the bill before us, and the substitute that I will be offering, represent the best, bipartisan efforts of this Committee, under very difficult circumstances. Members and staff on both sides of the aisle labored hard and long, through weekends and evenings, to craft a comprehensive package. I want to personally thank the Members of this Committee for the strong support they have shown me and the Ranking Member over the past month, and to recognize the specific contributions to the bill made by Mr. LaFalce, Mr. Leach, Mrs. Roukema, Mr. Bachus, Mr. King, and Ms. Waters, as well as many other members of the Committee.

I also want to thank the Administration, including the White House, the Treasury Department, and the Justice Department, for their legislative input and technical assistance. They, too, have been laboring under the most difficult of circumstances, not only to develop new legislation, but also to aggressively enforce existing laws to bring to justice the perpetrators of these crimes.

Before yielding to the Ranking Member, I want to take a moment to touch on the highlights of the measure.

First, the bill significantly strengthens the hands of law enforcement in attacking the financial infrastructure of terrorists and in prosecuting them for money laundering and other financial crimes. It strengthens bulk cash smuggling laws, makes it easier to prosecute illegal money services, makes the provision of material support to terrorists a predicate offense for money laundering, bars the entry of aliens suspected of money laundering, and strengthens procedures for obtaining foreign bank records relevant to terrorism or money laundering.

Second, the bill seeks to enhance private-public cooperation between Federal agencies and the financial services industry. The bill requires the creation of a private-public task force on terrorist financing and the establishment of a secure website, both to receive reports from financial institutions about suspected terrorist activity and other crime, and to alert financial institutions to matters requiring immediate attention. The bill also seeks to reduce the number of bank-filed reports where they are unnecessary for law enforcement, and it requires Treasury to report regularly to industry on the utility of the reports that are being filed.

Third, in order to deal with international money laundering risks, including those associated with terrorism, the bill prohibits U.S. correspondent banking privileges for offshore shell banks and authorizes the Secretary of the Treasury to take special measures if a country, institution, or a particular type of transaction is deemed to be a primary money laundering concern. These provisions on special measures are similar to legislation approved by the former Banking Committee last year and reintroduced by Mr. LaFalce.

Fourth, the bill incorporates Internet gambling legislation similar to that reported by the Banking Committee last year and reintroduced by Mr. Leach. The money laundering vulnerabilities of illegal Internet gambling operations are akin to those of offshore banks and must be addressed if we are to produce effective, comprehensive legislation.

Before yielding to the Ranking Member for his opening statement, I would like to appeal to Members on both sides to withhold unnecessary amendments and avoid protracted debate so that the Committee may work its will expeditiously, recognizing both the urgency of the subject matter and the demands of Members' schedules. To that end, it is my intent to strictly enforce the five-minute rule. We will continue to work closely with Members on both sides of the aisle as we move this legislation to the Floor.

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